



Securities Industry Association

120 Broadway • New York, NY 10271-0080 • (212) 608-1500 • Fax (212) 968-0703
1425 K Street, NW • Washington, DC 20005-3500 • (202) 216-2000 • Fax (202) 216-2119
info@sia.com; <http://www.sia.com>

RECEIVED
JUL 25 2006
OFFICE SECRETARY

ES1172 Y9
RECEIVED
2006 JUL 25 AM 11:13
CHAIRMAN'S
CORRESPONDENCE UNIT

July 19, 2006

Via Email and First Class Mail

Ms. Sandy Wright
U.S. Securities and Exchange Commission
Procurement and Contracts Branch
6432 General Green Way
Mail Stop 0-20
Alexandria, VA 22312

Re: SEC Release No. 34-54077 (Request for Information ("RFI")/
Draft Solicitation

Dear Ms. Wright:

The Securities Industry Association¹ is pleased to respond to the invitation to comment contained in the above referenced RFI, which also seeks to obtain indications of interest from applicants to assist the Commission in compiling certain data pertaining to the marketing, sale and delivery of financial services and products to individual investors by broker-dealers and investment advisers. The RFI is in furtherance of a Commission study provided for in the adopting release to Rule 202(a)(11)-1 under the Investment Advisers Act of 1940².

During the several years leading up to, and following, the adoption of the Rule, there has been much focus and debate on legal distinctions between brokerage and investment advisory services, but relatively little focus on the underlying features of such services, how they are offered or supervised, or the type and quantity of information provided to investors with respect to them. Therefore, we applaud the Commission for recognizing that the initial step in the study process should be to obtain a better

¹ The Securities Industry Association brings together the shared interests of more than 600 securities firms to accomplish common goals. SIA's primary mission is to build and maintain public trust and confidence in the securities markets. SIA members (including investment banks, broker-dealers, and mutual fund companies) are active in all U.S. and foreign markets and in all phases of corporate and public finance. According to the Bureau of Labor Statistics, the U.S. securities industry employs nearly 800,000 individuals, and its personnel manage the accounts of nearly 93-million investors directly and indirectly through corporate, thrift, and pension plans. In 2005, the industry generated an estimated \$322.4 billion in domestic revenue and an estimated \$474 billion in global revenues. (More information about SIA is available at: www.sia.com.)

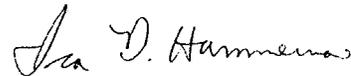
² See SEC Release IA-2376. Section V (April 12, 2005)

understanding of how such products and services are marketed, sold and delivered. Such information will create a better framework for the Commission to evaluate the efficacy of the current regulatory regime, and consider whether modifications are appropriate.

SIA would be pleased to assist the Commission and its selected vendors in gathering information for the study, including facilitating access to SIA members, as well as to participate in any other activities the Commission undertakes in furtherance of the study. In that regard, we note that in addition to our members being registered broker-dealers, most are dually registered as, or affiliated with, investment advisers, and thus offer a broad array of both brokerage and investment advisory services to investors.

Please contact Michael D. Udoff of SIA staff at (212) 618-0509 or mudoff@sia.com if we can be of further assistance.

Sincerely,



Ira Hammerman
Senior Vice President
and General Counsel

cc: The Honorable Christopher Cox, Chairman
The Honorable Cynthia Glassman, Commissioner
The Honorable Paul Atkins, Commissioner
The Honorable Roel Campos, Commissioner
The Honorable Annette Nazareth, Commissioner
Andrew "Buddy" Donohue – Director, Division of Investment Management
Robert E. Plaze – Associate Director, Division of Investment Management